



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

February 15, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**ISSUANCE AND SALE OF
EL RANCHO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2010, SERIES 2011
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

The governing board of the El Rancho Unified School District (the "District") has requested that the County issue general obligation bonds on its behalf in an aggregate principal amount not to exceed \$15,000,000. The bonds were authorized by a vote of the qualified electors of the District and will be issued to finance capital improvements to various school facilities. Repayment of the bonds will be funded from the proceeds of ad valorem taxes levied on all taxable property within the District.

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the resolution authorizing the issuance and sale of the El Rancho Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2010, Series 2011.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 2, 2010, voters residing in the District approved a ballot measure authorizing the District to issue up to \$52,000,000 in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on January 20, 2011 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed \$15,000,000 to be used for authorized purposes. This will be the first issuance of bonds authorized under this ballot

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

51 February 15, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

measure.

Pursuant to Section 15100 et seq. of the California Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. The bonds are to be issued in the name and on behalf of the District by the County following receipt of the District's resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #1: Operational Effectiveness through collaborative actions among County departments and other governmental jurisdictions to provide investment in public school infrastructure within the County.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The resolution provides for the issuance of bonds at an interest rate not to exceed the maximum rate permitted by law. The final structure of the bonds will be determined at the time of pricing to achieve the lowest cost of financing within the tax levy limits of the proposition. The term of the bonds will not exceed twenty-five (25) years.

The District is recommending a negotiated sale of the bonds to the underwriters, with participation by the Treasurer and Tax Collector in pricing the bonds. The District has selected Caldwell Flores Winters, Inc. as financial advisor, George K. Baum & Company as underwriters, and the firm of Nixon Peabody LLP as bond counsel. The Treasurer and Tax Collector will appoint U.S. Bank National Association as paying agent.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.

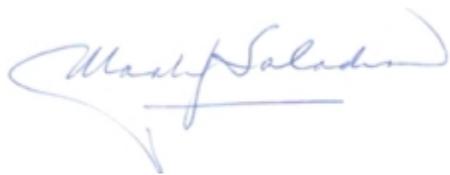
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

CONCLUSION

Upon approval, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted resolution to the Treasurer and Tax Collector (Office of Public Finance).

Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino". The signature is fluid and cursive, with a horizontal line underneath the name.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JP:LS

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
El Rancho Unified School District
Los Angeles County Office of Education
Nixon Peabody LLP

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES CALIFORNIA
AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, ELECTION OF 2010, SERIES 2011
OF EL RANCHO UNIFIED SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$15,000,000**

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**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES CALIFORNIA
AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, ELECTION OF 2010, SERIES 2011
OF THE EL RANCHO UNIFIED SCHOOL DISTRICT IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED FIFTEEN MILLION DOLLARS
(\$15,000,000)**

WHEREAS, pursuant to Section 15264 et seq. of the Education Code of the State of California (the “**Education Code**”), the District may upon a two-thirds vote of the Board of Education of the District pursue the authorization and issuance of bonds by a fifty-five percent (55%) vote of the voters pursuant to Section 1(b)(3) of Article XIII A of the California Constitution and Section 18(b) of Article XVI of the California Constitution; and

WHEREAS, a duly called election was held in the El Rancho Unified School District (the “**District**”), County of Los Angeles (the “**County**”), California, on November 2, 2010, and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$52,000,000, payable from the levy of an ad valorem tax against the taxable property in the District; and

WHEREAS, Section 15140 of the Education Code requires that general obligation bonds of a district shall be offered for sale by the board of supervisors of the county, the county superintendent of which has jurisdiction over such district, as soon as possible following receipt of a resolution adopted by the governing board of such district; and

WHEREAS, the Los Angeles County Superintendent of Schools has jurisdiction over the District; and

WHEREAS, The American Recovery and Reinvestment Act of 2009 granted a national allocation of \$11 billion to provide for the issuance of qualified school construction bonds, in accordance with the qualified tax credit bond program set forth in Section 54A of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the District has applied for an allocation to issue qualified school construction bonds in the aggregate principal amount of not to exceed \$25,000,000; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 was amended to permit the issuance of qualified school construction bonds in the form of direct-pay federally taxable bonds rather than in the form of tax credit bonds, and the Board of Education of the District has been advised that it may be in the best interests of the District to issue any qualified school construction bonds in the form of direct-pay federally taxable bonds; and

WHEREAS, the Board of Supervisors of the County of Los Angeles (the “**Board**” or the “**Board of Supervisors**”) has received a resolution of the Board of Education of the District (the “**District Resolution**”), adopted on January 20, 2011, requesting the issuance of a series of such Bonds in the aggregate initial principal amount of not-to-exceed Fifteen Million Dollars (\$15,000,000) (the “**Bonds**”);

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED by the Board as follows:

SECTION 1. Definitions. The following terms shall for all purposes of this Resolution have the following meanings:

“Accountable Event of Loss of Qualified School Construction Bond Status” means:

(a) any act or any failure to act on the part of the District, which act or failure to act is a breach of a covenant or agreement contained in the District Resolution, the Purchase Contract, any Nonarbitrage Certificate, or the Bonds and which act or failure to act causes all or a portion of the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds under Sections 54A and 54F of the Code, or

(b) the making by the District of any representation contained in the District Resolution, the Purchase Contract, any Nonarbitrage Certificate, or the Bonds, which representation was untrue when made and the untruth of which representation at such time causes all or a portion of the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds.

“Accreted Value” shall mean with respect to any Capital Appreciation Bond, as of any date of calculation, the sum of the initial Principal Amount thereof and the interest accreted thereon to such date of calculation, compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1 (unless otherwise provided in the Contract of Purchase), assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Auditor-Controller” shall mean the Auditor-Controller of the County.

“Authorized Investments” shall mean investments permitted by law and by any investment policy adopted by the County and then in effect.

“Authorizing Law” shall mean, collectively, (i) Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California, as amended, and (ii) Article XIII A of the California Constitution.

“Board” or the “Board of Supervisors” shall mean the Board of Supervisors of the County.

“Bond Insurance Policy” shall mean any insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of Principal and interest in respect of the Bonds when due.

“Bond Insurer” shall mean any insurer chosen to insure repayment of the Bonds.

“Bond Obligation” shall mean from time to time as of the date of calculation, with respect to any Current Interest Bond, the Principal Amount thereof and, with respect to any Capital Appreciation Bond, the Accreted Value thereof.

“Bond Subsidy Payments” means, with respect to any Bonds which are Qualified School Construction Bonds, the amounts which are payable by the Federal government under Section 6431 of the Code, which the District has elected to receive under Section 54AA(g)(1) of the Code.

“Bond Register” shall mean the books referred to in Section 14 of this Resolution.

“Bonds” shall mean the El Rancho Unified School District General Obligation Bonds, Election of 2010, Series 2011 (or such other or additional series designation as may be specified in the Contract of Purchase), issued and delivered pursuant to this Resolution.

“Bond Year” shall mean the twelve-month period commencing February 1 in any year and ending on the last day of January in the next succeeding year, both dates inclusive; provided, however, that the first Bond Year shall commence on the dated date of the Bonds and shall end on January 31, 2012, both dates inclusive.

“Building Fund” shall mean the Building Fund established in the District Resolution and described in Section 16 hereof.

“Business Day” shall mean a day that is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

“Capital Appreciation Bonds” shall mean the Bonds designated as such in Section 9 of this Resolution.

“Chair of the Board of Supervisors” shall mean the Chair, Chairman, Chairperson or Mayor of the Board of Supervisors of the County of Los Angeles.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate of the District for the benefit of the Owners of the Bonds.

“Contract of Purchase” shall mean the Contract of Purchase by and among the County, the District and the Underwriter relating to the Bonds.

“Costs of Issuance” shall mean all of the costs of issuing the Bonds, including, at the election of the District exercised by a District Authorized Officer, all costs relating to the issuance and delivery of any Bonds which are Qualified School Construction Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds, the Preliminary Official Statement and the Official Statement (as hereinafter defined) pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; underwriter’s fees; rating agency fees; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement (if any) relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds or the implementation of the financing for the Projects, to the extent such fees and expenses are approved by the District, provided that any Costs of Issuance for any Bonds which are designated as Qualified School Construction Bonds that are paid from the proceeds of such Qualified School Construction Bonds shall not exceed two percent (2%) of the aggregate principal amount of such Qualified School Construction Bonds.

“County” shall mean the County of Los Angeles, California.

“County Office of Education” shall mean the Office of Education of the County and such other persons as may be designated by the County Office of Education to perform the operational and disbursement functions hereunder.

“Current Interest Bonds” shall mean the Bonds designated as such in Section 8 of this Resolution.

“Date of Loss of Qualified School Construction Bond Status” means the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Bonds, or a portion thereof, lost their status, or failed to qualify as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status, which date could be as early as the date of issuance of the Bonds.

“Debt Service” shall have the meaning given to that term in Section 18(c) of this Resolution.

“Debt Service Fund” shall mean the Debt Service Fund established pursuant to Section 18(a) of this Resolution.

“Depository” shall mean DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the County and the District discontinue use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the County and the District.

“Determination of Loss of Qualified School Construction Bond Status” means: (a) a final determination by the Internal Revenue Service (after the County or the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of

Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status; or (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status.

“District” shall mean El Rancho Unified School District.

“District Authorized Officer” shall mean an “Authorized Officer” as defined in the District Resolution.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Excess Earnings Fund” shall mean the Excess Earnings Fund established pursuant to Section 19 of this Resolution.

“Federal Securities” shall mean direct obligations of the United States Treasury or obligations which are unconditionally guaranteed by the United States or which are issued or guaranteed by the Export-Import Bank of the United States, the Farmers Home Administration, the General Services Administration, the Small Business Administration, the Government National Mortgage Association, the United States Department of Housing and Urban Affairs and the Federal Housing Administration (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States), provided the principal of and interest on such obligations are backed by the full faith and credit of the United States of America.

“Fiscal Year” shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30 or any other fiscal year selected by the District.

“Interest Payment Date” shall mean with respect to (i) any Current Interest Bond, February 1 and August 1 in each year, or as otherwise specified in the Contract of Purchase, commencing on the date specified in the Contract of Purchase, and (ii) any Capital Appreciation Bond, the maturity or mandatory redemption date or optional redemption date thereof, as applicable, or in each case, such other dates as specified in the Contract of Purchase.

“Maturity Amount” shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Moody’s” shall mean Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive the reports described in the Continuing Disclosure Certificate. Until otherwise designated by the MSRB or

the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Nominee” shall mean the nominee of the Depository which may be the Depository, as determined from time to time by the Depository.

“Nonarbitrage Certificate” shall mean, collectively, any Tax and Nonarbitrage Certificate of the District delivered in connection with the issuance of any Bonds which are tax-exempt Bonds and any Tax and Nonarbitrage Certificate of the District delivered in connection with the issuance of any Bonds which are Qualified School Construction Bonds.

“Official Statement” shall mean the official statement of the District describing the Bonds.

“Outstanding” when used with reference to the Bonds, shall mean, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 13 hereof;
- (iii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 38 of this Resolution.

“Owner” shall mean the registered owner, as indicated in the Bond Register, of any Bond.

“Participant” shall mean a member of or participant in the Depository.

“Paying Agent” shall mean the Treasurer and his designated agents or his successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent. The Treasurer is authorized to contact with any third party to perform the services of Paying Agent under this Resolution.

“Pledged Moneys” shall have the meaning given to that term in Section 17 of this Resolution.

“Preliminary Official Statement” shall mean the preliminary official statement of the District describing the Bonds.

“Principal” or “Principal Amount” shall mean, as of any date of calculation, with respect to (i) any Current Interest Bond, the principal amount thereof, and (ii) any Capital Appreciation Bond, the Accreted Value thereof.

“Projects” shall have the meaning given to that term in Section 6 of this Resolution.

“Project Costs” shall mean all of the expenses of and incidental to the construction and/or acquisition of the Projects, including Costs of Issuance.

“Qualified School Construction Bonds” shall mean Bonds issued under this Resolution which are designated as direct-pay qualified school construction bonds.

“Record Date” shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

“Regulations” shall mean the regulations of the United States Department of the Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their terms are effective with respect to the Bonds and similar Treasury Regulations to the extent not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

“Resolution” shall mean this “Resolution of the Board of Supervisors of the County of Los Angeles, California Authorizing the Issuance and Sale of General Obligation Bonds, Election of 2010, Series 2011 of El Rancho Unified School District in an Aggregate Principal Amount Not To Exceed Fifteen Million Dollars (\$15,000,000)” as amended or supplemented from time to time by Supplemental Resolutions in accordance with the terms hereof.

“S&P” shall mean Standard & Poor’s Ratings Services, a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Securities Depositories” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Facsimile transmission: (212) 785-9681, (212) 855-3215, and, in accordance with then-current guideline of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the County may designate in a Certificate delivered to the Paying Agent.

“State” shall mean the State of California.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the County in accordance with Section 35 or Section 36 hereof.

“Transfer Amount” shall mean, with respect to (i) any Outstanding Current Interest Bond, the aggregate Principal Amount thereof, and (ii) any Outstanding Capital Appreciation Bond, the Maturity Amount thereof.

“Treasurer and Tax Collector” or “Treasurer” shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof and any such other persons as may be designated by the Treasurer to act on his or her behalf.

“Underwriter” shall mean George K. Baum & Company.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Authorizing Law.

SECTION 4. Approval of Contract of Purchase. The Treasurer, or his designee, and such other officers of the County as shall be authorized by the Board, in consultation with the Underwriter and bond counsel and such officers of the District as shall be authorized by the Board of Trustees of the District, are hereby authorized and directed to issue and deliver the Bonds and to establish the final Principal Amount thereof; provided, however, that such Principal Amount shall not exceed the maximum aggregate initial Principal Amount of Fifteen Million Dollars (\$15,000,000). The District Authorized Officers in consultation with the County, the Underwriter, the District’s financial advisor and bond counsel are, and each of them acting alone is, hereby authorized to designate whether the Bonds are to be issued in the form of one or more series of federally taxable Qualified School Construction Bonds, one or more series of tax-exempt Bonds, and/or one or more series of federally taxable Bonds that are not Qualified School Construction Bonds. Such designation shall be set forth in the Contract of Purchase. The form of the Contract of Purchase attached hereto as Exhibit B is hereby approved. The Treasurer, or his designee, and such other officers of the County as may be authorized by the Board are, and each of them acting alone is, authorized and directed to execute and deliver one or more Contracts of Purchase for and in the name and on behalf of the County, with such additions, changes or corrections therein as the officer executing the same on behalf of the County may approve, in his or her discretion, as being in the best interests of the County and the District, including, without limitation, such changes as may be necessary to obtain credit enhancement, including bond insurance or liquidity support, with respect to the Bonds, such approval to be conclusively evidenced by such officer’s execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The Treasurer, or his designee, and such other officers of the County as may be authorized by the Board are, and each of them acting alone hereby is, in consultation with such authorized officers of the District, authorized and directed to negotiate with the Underwriter the interest rates on the Bonds and the purchase price of the Bonds to be paid by the Underwriter, which purchase price shall reflect an underwriter’s discount of not more than two percent (2%) (not including original issue discount and any costs of issuance paid by the Underwriter) of the Principal Amount thereof. The interest rate on the Bonds shall not exceed eight percent (8%) per annum.

SECTION 5. Authorization of Officers. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized to execute

any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

SECTION 6. Use of Bond Proceeds. Bonds of the District shall be issued in the name and on behalf of the District in an aggregate initial Principal Amount not to exceed Fifteen Million Dollars (\$15,000,000). The proceeds of the Bonds shall be applied to the acquisition and construction of school facilities for some or all of the purposes authorized at the November 2, 2010 election (collectively, the “**Projects**”). The proceeds of any Bonds which are designated as Qualified School Construction Bonds shall be expended solely for purposes which are authorized for the expenditure of qualified school construction bonds proceeds under the Code. The County makes no assurance regarding the use of the proceeds of the Bonds.

SECTION 7. Designation and Form; Payment.

(a) An issue of Bonds of one or more series entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate initial Principal Amount not to exceed Fifteen Million Dollars (\$15,000,000). Such Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from ad valorem taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated “El Rancho Unified School District General Obligation Bonds, Election of 2010, Series 2011” with such other or additional series designations as may be necessary or advisable to market the Bonds, as set forth in the Contract of Purchase. The Bonds may be issued as serial bonds and/or term bonds and as Current Interest Bonds and/or Capital Appreciation Bonds as set forth in the Contract of Purchase, subject to the provisions of this Resolution. The Bonds may be issued as federally taxable Qualified School Construction Bonds, tax-exempt Bonds, and/or federally taxable Bonds that are not Qualified School Construction Bonds.

(b) The forms of the Bonds shall be substantially in conformity with the standard forms of registered school district bonds, copies of which are attached hereto as Exhibit A-1 and Exhibit A-2 and incorporated herein by this reference.

(c) Principal, premium, if any, and interest with respect to any Bond are payable in lawful money of the United States of America. Principal and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent in Los Angeles County, or in the City and County of San Francisco, California.

SECTION 8. Description of Current Interest Bonds.

(a) The Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, except as provided in the Contract of Purchase. The Current Interest Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Contract of Purchase, provided that the final maturity of any Current Interest Bonds which are Qualified School Construction Bonds shall be not later than the final date allowed for qualified school construction bonds under the applicable provisions of the Code.

(b) Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Contract of Purchase. Interest on Current Interest Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Current Interest Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Current Interest Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of such Current Interest Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Current Interest Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

(c) To the extent any Current Interest Bonds are issued as Qualified School Construction Bonds, such Bonds will have, in addition to any applicable terms and provisions herein, such additional terms and provisions as may be set forth in the Contract of Purchase.

SECTION 9. Description of Capital Appreciation Bonds.

(a) The Capital Appreciation Bonds shall be issued in fully registered form in any denominations of their initial Principal Amounts but shall reflect denominations of \$5,000 Maturity Amount or any integral multiple thereof, except as otherwise provided in the Contract of Purchase. The Capital Appreciation Bonds shall be dated the date of their issuance, shall be issued in the aggregate Principal Amounts as of the date of issuance, shall mature on the dates, in the years and in the Maturity Amounts, and shall accrete interest at the accretion rate all as set forth in the Contract of Purchase, provided that the final maturity of any Capital Appreciation Bonds which are Qualified School Construction Bonds shall be not later than the final date allowed for qualified school construction bonds under the application provisions of the Code.

(b) Interest on each Capital Appreciation Bond shall be compounded semiannually on February 1 and August 1 of each year, or such other dates as are set forth in the Contract of Purchase, until maturity, commencing on the date set forth in the Contract of Purchase, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount or upon prior redemption, if any, unless otherwise provided in the Contract of Purchase.

(c) To the extent any Capital Appreciation Bonds are issued as Qualified School Construction Bonds, such Bonds will have, in addition to any applicable terms and provisions herein, such additional terms and provisions as may be set forth in the Contract of Purchase.

SECTION 10. Book-Entry System.

(a) The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds within each series. Upon initial issuance, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (b) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each global Bond shall bear a legend substantially to the following effect: “UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

With respect to Bonds registered in the Bond Register in the name of the Nominee, the County and the District shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the County and the District shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any Redemption Notice (as defined in Section 24 below), (iii) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (iv) the payment to any Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, and interest on the Bonds. The County and the District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of Principal of, premium, if any, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Paying Agent shall pay all Principal of, premium, if any, and interest on the Bonds only to the respective Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on the

Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the County of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions hereof with respect to Record Dates, the word Nominee in this Resolution shall refer to such new nominee of the Depository.

(b) If at any time the Depository notifies the County and the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the Treasurer within 90 days after the County and the District receive notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the Treasurer shall issue bonds representing the Bonds as provided below. In addition, the County and the District may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event the Treasurer and the Chair of the Board of Supervisors shall execute and deliver bonds representing the Bonds as provided below. Bonds issued in exchange for global bonds pursuant to this subsection (b) shall be registered in such names and delivered in such denominations as the Depository shall instruct the County and the District. The Treasurer shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered.

If the County and the District determine to replace the Depository with another qualified securities depository, the County and the District shall prepare or cause to be prepared a new fully-registered global bond for each of the maturities of Bonds of each series, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the County, the District and such securities depository and not inconsistent with the terms of this Resolution.

(c) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to Principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter of representation and other documents executed and delivered by the District to qualify the Bonds for the Depository's book-entry system or as otherwise instructed by the Depository.

(d) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

SECTION 11. Execution of the Bonds.

(a) The Bonds shall be executed in the name of the District by the County by the manual or facsimile signature of the Chair of the Board of Supervisors and the manual or facsimile signature of the Treasurer, and shall be countersigned by the manual or facsimile signature of the Executive Officer - Clerk of the Board or by a deputy of either of the officers.

The County's seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced on each Bond. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been issued by the County on behalf of the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any of the Bonds may be signed and sealed on behalf of the County by such persons as at the time of the execution of such Bonds shall be duly authorized to hold or shall hold the proper offices in the County, although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) The Bonds shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of authentication duly executed by the Paying Agent shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 12. Transfer and Exchange. The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A-1 or A-2 hereto, as applicable, duly executed by the Owner or his attorney duly authorized in writing, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the County, the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Transfer Amount of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECTION 13. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, maturity, Transfer Amount, series and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this Section 13 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

SECTION 14. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books.

SECTION 15. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the general fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first-class mail, postage prepaid, not less than 90 days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the general fund of the District under the order of the County Office of Education. Thereafter, the Owners of such Bonds shall look only to the general fund of the District for payment of such Bonds.

SECTION 16. Application of Proceeds. Upon the sale of the Bonds, the Treasurer is hereby directed to deposit or cause to be deposited the proceeds thereof, exclusive of accrued interest, any original issue premium and any amounts that may be directed by the District to be deposited into the Costs of Issuance Fund, as defined and provided in the District Resolution, to the credit of the fund established for the account of the District and defined as the Building Fund in the District Resolution, or into an Other District Fund, as defined and provided in the District Resolution. The District shall, from time to time, disburse from the Building Fund or any Other District Fund to pay the Project Costs, as provided in the District Resolution. The District shall keep a written record of disbursements from the Building Fund.

Any amounts that remain in the Building Fund at the completion of the Projects shall be disbursed as provided in the District Resolution. Any Available Project Proceeds (as defined in the District Resolution) of Qualified School Construction Bonds (if any) remaining at the end of the Expenditure Period (as defined in the District Resolution) or upon completion of the Projects to be financed with proceeds of the Qualified School Construction Bonds shall be used to redeem Qualified School Construction Bonds as provided in Section 8(c)(vi) of the District Resolution.

SECTION 17. Payment and Security for the Bonds. The Board shall annually at the time of making the levy of taxes for County purposes, levy a continuing direct ad valorem tax upon the taxable property in the District in an amount at least sufficient, together with moneys on deposit in the Debt Service Fund, including the Bond Subsidy Payments, and available for such purpose, to pay the Principal of, premium, if any, and interest on each Bond as each becomes due and payable in the next succeeding Bond Year. The tax levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, on behalf of the District, hereby pledges as security for the Bonds and the interest thereon, and will deposit or cause to be deposited in the District's Debt Service Fund, the proceeds from the levy of the aforementioned tax (the "**Pledged Moneys**"). The Pledged Moneys shall be used to pay the Principal of, premium, if any, and interest on the Bonds when and as the same shall become due and payable. The Bonds are the general obligations of the District and do not constitute an obligation of the County except as provided in this Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

Any Bonds designated as Qualified School Construction Bonds are further secured by and payable from the Bond Subsidy Payments. Promptly upon receipt of any Bond Subsidy Payments, the District shall cause such Bond Subsidy Payments to be paid to the Treasurer for deposit into the Debt Service Fund.

SECTION 18. Debt Service Fund.

(a) The Treasurer is hereby further directed to deposit or cause to be deposited any accrued interest and any original issue premium received by the County from the sale of the Bonds in the fund established for the account of the District and designated as the "El Rancho Unified School District General Obligation Bonds, Election of 2010, Series 2011 Debt Service Fund" (the "**Debt Service Fund**") to be used only for the payment of the Principal of, premium, if any, and interest on the Bonds. The Treasurer is directed to create any accounts and

subaccounts in the Debt Service Fund as provided in any Nonarbitrage Certificate. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal and interest on the Bonds, except as provided in any Nonarbitrage Certificate.

(b) All Pledged Moneys shall be deposited upon collection by the County into the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Bonds.

(c) On each Interest Payment Date, the County shall transfer or cause to be transferred from the Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any, and interest on the Bonds (collectively, the **“Debt Service”**) on such Payment Date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(d) The District may from time to time, from other available sources, cause moneys to be transferred or deposited to the Debt Service Fund, including as to the extent needed to comply with any Nonarbitrage Certificate. Any amounts on deposit in the Debt Service Fund when there are no longer any Bonds Outstanding shall be transferred to the credit of the general fund of the District subject to any conditions set forth in any Nonarbitrage Certificate.

(e) The Treasurer shall deposit into the Debt Service Fund all Bond Subsidy Payments which are paid to the Treasurer. The District will pay to the Treasurer for deposit in the Debt Service Fund any Bond Subsidy Payment it receives.

(f) Except as required to satisfy the requirements of Section 148(f) of the Code or to comply with the provisions of any Nonarbitrage Certificate, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest on the Bonds when due.

SECTION 19. Establishment and Application of Excess Earnings Fund.

There is hereby established in trust a special fund designated “El Rancho Unified School District General Obligation Bonds, Election of 2010, Series 2011 Excess Earnings Fund” (the **“Excess Earnings Fund”**) which shall be held by the County Office of Education for the account of the District and which shall be kept separate and apart from all other funds and accounts held hereunder. The District shall transfer, or cause to be transferred, moneys from the Building Fund or any other fund, as applicable, to the Excess Earnings Fund in accordance with the provisions of any Nonarbitrage Certificate. Amounts on deposit in the Excess Earnings Fund shall only be applied to payments made to the United States or otherwise transferred to other accounts or funds established hereunder in accordance with any Nonarbitrage Certificate.

SECTION 20. Payments of Costs of Issuance. The District may pay, or

cause to be paid, Costs of Issuance using moneys disbursed from time to time, as appropriate, from the Costs of Issuance Fund, as provided in the District Resolution. Any amounts remaining in the Costs of Issuance Fund on the date that is six months after the issuance of the Bonds shall be deposited in the Debt Service Fund and applied to the payment of Principal and/or interest on the Bonds unless other instructions are given by the District on the advice of nationally

recognized bond counsel. Notwithstanding the foregoing, all or a portion of the Costs of Issuance may be paid by the Underwriter on behalf of the District. The Underwriter may use a third party, including but not limited to the Paying Agent, to administer payment of costs of issuance on behalf of the Underwriter. Any amounts retained by the Underwriter for payment of Costs of Issuance and returned to the District pursuant to the Contract of Purchase shall be applied to the payment of Principal of and/or interest on the Bonds.

SECTION 21. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the Treasurer and Tax Collector, the County Office of Education or the District may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 22. Redemption.

(a) The Current Interest Bonds shall be subject to redemption as provided in the Contract of Purchase.

(b) The Capital Appreciation Bonds shall not be subject to optional redemption, except as otherwise provided in the Contract of Purchase. The Capital Appreciation Bonds shall be subject to mandatory redemption prior to their maturity date, by lot, at the Accreted Value thereof, without premium, on the dates, if any, in the years and in an amount equal to the aggregate Accreted Values as and to the extent set forth in the Contract of Purchase.

(c) Any Bonds designated as Qualified School Construction Bonds shall be subject to extraordinary mandatory redemption provisions and/or extraordinary optional redemption provisions as provided in the Contract of Purchase.

SECTION 23. Selection of Bonds for Redemption.

(a) Whenever provision is made in this Resolution or in the Contract of Purchase for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Payment Date designated for such redemption, shall select the series and maturities of Bonds for redemption in the manner directed by the District. If the District fails to specify, the Paying Agent shall select Bonds of a series for redemption in inverse order of maturity.

(b) With respect to any Bonds designated as tax-exempt Bonds, within a series and maturity, the Paying Agent shall select such Bonds of a designated series and maturity for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in the Maturity Amount of \$5,000 or any integral multiple thereof. The Accreted Value of such Capital Appreciation Bond shall be determined by reference to a schedule to be provided to the Paying Agent.

(c) With respect to any Bonds designated as federally taxable Bonds or as Qualified School Construction Bonds, if such Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such Bonds, if

less than all of such Bonds of a series and maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected on a “Pro Rata Pass Through Distribution of Principal” basis in accordance with DTC procedures, provided that, so long as such Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Paying Agent pursuant to DTC operational arrangements. If the Paying Agent does not provide the necessary information and identify the redemption as on a Pro Rata Pass Through Distribution of Principal basis, such Bonds will be selected for redemption in accordance with DTC procedures by lot. It is the District’s intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the District and the Beneficial Owners be made on a “Pro Rata Pass Through Distribution of Principal” basis as described above. In the event that such Bonds are no longer held by DTC or a successor securities depository, such Bonds shall be selected for redemption in the manner provided in the Contract of Purchase.

SECTION 24. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Contract of Purchase, the Paying Agent, upon written instruction from the District given at least 60 days prior to the date designated for such redemption, or such shorter time as is agreed by the Paying Agent, shall give notice (a “**Redemption Notice**”) of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price or Accreted Value, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount or Accreted Value, as appropriate, of such Bond to be redeemed, and (g) the original issue date, interest or accretion rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed (i) the redemption price, together with the interest accrued to the redemption date in the case of Current Interest Bonds or (ii) the Accreted Value in the case of Capital Appreciation Bonds, and that from and after such date interest with respect thereto shall cease to accrue or accrete and be payable.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 30 but not more than 45 days before the redemption date, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, (iii) overnight delivery service or (iv) other delivery method approved by the applicable Securities Depository, to each of the Securities Depositories.

(c) In the event that the Bonds shall no longer be held in book-entry-only form, at least 35 but not more than 45 days before the redemption date, such Redemption Notice shall be submitted to the MSRB in electronic format or other format as prescribed by the MSRB.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by issue, series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 25. Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 26. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for the payment of their redemption price, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 22 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of Section 22 shall be cancelled upon surrender thereof and delivered to or upon the order of the County and the District. All or any portion of a Bond purchased by the County or the District shall be cancelled by the Paying Agent upon written notice by the County or the District given to the Paying Agent.

SECTION 27. Paying Agent; Appointment and Acceptance of Duties.

(a) The Board and the Treasurer hereby consent to and confirm the appointment of the Treasurer or his or her designated agent to act as the initial authenticating agent, bond registrar, transfer agent and paying agent (collectively, the “**Paying Agent**”). The Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution. All fees and expenses incurred for services of the Paying Agent, including its third party agents, shall be the sole responsibility of the District. The Paying Agent, other than the Treasurer acting as Paying Agent, shall have a corporate trust office in Los

Angeles or San Francisco, California and shall keep accurate records of all funds administered by it and all of the Bonds paid and discharged by it.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of Principal of, premium, if any, and interest on the Bonds.

SECTION 28. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 29. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the County or the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 30. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution. Such payments, charges and expenses may be paid out of the tax levied and collected for the payment of the Bonds to the extent permitted by applicable law. In no event shall the County be required to expend its own funds hereunder.

SECTION 31. Ownership of Bonds Permitted. The Paying Agent or the Underwriter may become the Owner of any Bonds.

SECTION 32. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) Any Paying Agent initially appointed may resign from service as Paying Agent and may be removed at any time by the Treasurer as provided in the Paying Agent's service agreement. Without further action by the District, if at any time the Paying Agent shall resign or be removed, the Treasurer may appoint a successor Paying Agent in accordance with applicable law, which shall be either the Treasurer and Tax Collector or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$100,000,000 in net assets. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County or the District in a format mutually agreeable to the Paying Agent, the District and the County. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the

County and the District, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there is no successor, the Treasurer as the Paying Agent. The Treasurer shall promptly provide notice of the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Owners of the Bonds by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

SECTION 33. Investment of Certain Funds. Moneys held in all funds and accounts established hereunder shall be invested and reinvested by the Treasurer in Authorized Investments to the fullest extent practicable as shall be necessary to provide moneys when needed for payments to be made from such funds or accounts, subject to any conditions set forth in any Nonarbitrage Certificate. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States. All investment earnings on amounts on deposit in the Building Fund, the Excess Earnings Fund, the Debt Service Fund, the Costs of Issuance Fund and any Other District Fund (as defined in the District Resolution) shall remain on deposit in such respective funds except as provided in any Nonarbitrage Certificate.

SECTION 34. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 35. Supplemental Resolutions With Consent of Owners. This Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that so long as a Bond Insurance Policy is in effect, and provided that the Bond Insurer complies with its obligations thereunder, the Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification without the express consent of all Owners. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be

required if the Owners are not directly and adversely affected by such amendment or modification.

SECTION 36. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the County may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms;

(a) To add to the covenants and agreements of the County or the District in this Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this Resolution, of any moneys, securities or funds, or to establish any additional funds, or accounts to be held under this Resolution;

(d) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution;

(e) To make such additions, deletions or modifications as may be necessary or desirable to assure the status of any Bonds designated as Qualified School Construction Bonds for which Bond Subsidy Payments are eligible to be received; or

(f) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners.

SECTION 37. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the County or the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 38. Defeasance. If all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

- (1) by paying or causing to be paid the Principal, premium, if any, and interest on all Bonds Outstanding, and when the same become due and payable;
- (2) by depositing with the Paying Agent, in trust, at or before maturity, cash which together with the amounts then on deposit in the Debt Service Fund

(and the accounts therein other than amounts that are not available to pay Debt Service) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding at maturity thereof (or on the redemption date therefor), including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

- (3) by depositing with an institution to act as escrow agent selected by the District and approved by the County and that meets the requirements of serving as Paying Agent pursuant to Section 27, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge all Bonds Outstanding at maturity thereof (or on the redemption date therefor), including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the County, the District and the Paying Agent under this Resolution with respect to all Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 30 hereof.

SECTION 39. Bond Insurance. All or a portion of the Bonds may be sold with bond insurance or other form of credit enhancement, if the Treasurer, in consultation with the Underwriter and the District determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

SECTION 40. Tax Covenants. (a) The District has made certain covenants with respect to any tax-exempt Bonds and any Qualified School Construction Bonds in the District Resolution and will make additional covenants in any Nonarbitrage Certificate that it executes and delivers in connection with the issuance of the Bonds. The County is relying on any and all such covenants in adopting this Resolution and issuing the Bonds.

(b) In order to provide assurances that any Bonds designated as Qualified School Construction Bonds will constitute Qualified School Construction Bonds at all times during the term thereof, the District has made the following covenants in the District Resolution applicable only to such Bonds (if any):

(i) Allocation of State QSCB Limitation. The District has applied for an allocation of qualified school construction bond authority for the year 2011 in the amount of \$25,000,000 from the Division Director of the School Facilities Planning

Division of the State Superintendent of Public Instruction, which shall be included in the transcript for the Bonds if received. No Qualified School Construction Bonds shall be issued by the District if an allocation is not received in 2011.

(ii) Designation of Bonds as Qualified School Construction Bonds. Pursuant to Section 1 of the District Resolution, the District has granted the authority to the District Authorized Officers, and each of them acting alone, to designate one or more series of Bonds as Qualified School Construction Bonds for purposes of Section 54F(a)(3) of the Code. The District has irrevocably elected to apply the provisions of Section 6431(f) of the Code to any Bonds so designated and has stated its intention that such Bonds be treated as specified tax credit bonds within the meaning of Section 6431(f)(2) of the Code. It is the intent of the District that any Bonds designated as Qualified School Construction Bonds be eligible for direct payment from the United States Department of Treasury of an amount equal to the tax credit.

(iii) Filing of Forms To Receive Bond Subsidy Payments. The District will, within the 45-day period beginning on the date that is 90 days before the next Interest Payment Date (as defined and set forth in the Contract of Purchase), file Form 8038-CP or any successor form designated by the Federal government, requesting payment of the Bond Subsidy Payments with respect to the next interest payment on any Bonds designated as Qualified School Construction Bonds. The District will enter into such agreements with the Paying Agent or other parties as necessary to effect the purposes of this subsection.

(iv) Qualified Issuer. The District is a local government qualified to issue Qualified School Construction Bonds under Section 54F(a)(2) of the Code. The District has established and currently operates the various public school sites with respect to which (i) the proceeds from the sale of such Bonds, (ii) less costs of issuing such Bonds paid from proceeds of the sale of such Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) - (ii) (the “**Available Project Proceeds**”) will be spent.

(v) Qualified School Construction Project. The District shall assure that all of the Available Project Proceeds will be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Code (the “**Qualified Purposes**”) in accordance with Section 54F(a)(1) of the Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that that is being constructed, rehabilitated, or repaired with proceeds of such Bonds constitute a Qualified Purpose.

(vi) Compliance with Expenditure Period Limitations. The District reasonably expects to expend all of the Available Project Proceeds for Qualified Purposes within the “expenditure period” defined in Section 54A(d)(2)(B)(ii) of the Code which consists of the period beginning on the date of issuance of such Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the

Expenditure Period (the “**Expenditure Period**”). To the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the end of the Expenditure Period or upon completion of the Project, if earlier, all nonqualified bonds (as determined under Section 142 of the Code) shall be redeemed within 90 days of the end of the Expenditure Period, in accordance with the requirements of Section 54A(d)(2)(B) of the Code in the time and manner prescribed by the Code.

(vii) Binding Commitment to Spend Available Project Proceeds. With respect to any Bonds designated as Qualified School Construction Bonds, the District will, within six months of the Closing Date (as defined in the Contract of Purchase), enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for Qualified Purposes.

(viii) No Working Capital. All Available Project Proceeds will be spent on capital expenditures under general federal tax principles with a reasonably expected economic life of one year or more.

(ix) Limitation on Issuance Costs. With respect to any Bonds designated as Qualified School Construction Bonds, no proceeds of such Bonds and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of such Bonds, will be used to pay costs of issuing of such Bonds. If the fees of the Underwriter are retained as a discount on the purchase of such Bonds, such retention shall be deemed to be an expenditure of proceeds of such Bonds for said fees.

(x) No Arbitrage. With respect to any Bonds designated as Qualified School Construction Bonds, the District shall not take, or permit or suffer to be taken by the Paying Agent, the Treasurer or otherwise, any action with respect to the proceeds of such Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of such Bonds would have caused such Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code as modified by Section 54A(d)(4) of the Code.

(xi) Rebate Compliance. With respect to any Bonds designated as Qualified School Construction Bonds, the District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to such Bonds. For purposes of this paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Code.

(xii) Limitation on Reserve Funds. With respect to any Bonds designated as Qualified School Construction Bonds, no fund the proceeds of which are pledged to, or are reasonably expected to be used directly or indirectly to pay, principal or interest on such Bonds or are reserved or otherwise set aside such that there is a reasonable assurance that such amounts will be available to pay principal or interest on such Bonds will be funded with respect to such Bonds except as follows: (i) the fund is funded at a rate not more rapid than equal annual installments, (ii) such fund is funded in

a manner reasonably expected to result in an amount not greater than an amount necessary to repay the issue, and (iii) the yield on the fund is not greater than the rate determined under 54A(d)(5)(B) of the Code.

(xiii) Prohibition on Financial Conflicts of Interest. With respect to any Bonds designated as Qualified School Construction Bonds, the District has covenanted and agreed in the District Resolution to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to such Bonds. The District has covenanted and agreed in the District Resolution to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to such Bonds.

(xiv) Davis-Bacon Act Requirements. With respect to any Bonds designated as Qualified School Construction Bonds, the District has covenanted and agreed in the District Resolution to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the proceeds of such Bonds.

(xv) Compliance with Nonarbitrage Certificate. In furtherance of these covenants, the District has agreed in the District Resolution to comply with the covenants contained in any Nonarbitrage Certificate applicable to any Qualified School Construction Bonds. The District has agreed in the District Resolution to deliver instructions to the Paying Agent in order to comply with such Nonarbitrage Certificate.

SECTION 41. Approval of Actions; Miscellaneous.

(a) The Superintendent and the other officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds or otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Principal of and interest and redemption premium (if any) on the Bonds shall not constitute debt or an obligation of the County, its Board of Supervisors, officers, agents, or employees, and the County, its Board of Supervisors, officers, agents, and employees thereof shall not be liable thereon. In no event shall the Principal of and interest and redemption premium (if any) on any Bond be payable out of any funds or property of the County.

(c) If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Contract of Purchase, the Contract of Purchase prevails to the extent of the inconsistency or conflict. If there is any inconsistency or conflict between any provision of this Resolution and any provision of an applicable Nonarbitrage Certificate, such Nonarbitrage Certificate prevails to the extent of the inconsistency or conflict.

[Remainder of page intentionally left blank]

The foregoing resolution was, on the 15th day of February, 2011, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI,
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By: Lachelle Smitherman
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN,
County Counsel

By: Andrea Sheridan Ordin
Principal Deputy County Counsel

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS

2011 FEB -3 PM 8:03

FILED

EXHIBIT A-1

FORM OF CURRENT INTEREST BOND

[UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

EL RANCHO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2010, SERIES 2011

\$ _____

No. _____

Interest
Rate

Maturity
Date

Dated
Date

CUSIP

%

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The El Rancho Unified School District (the “**District**”) of the County of Los Angeles, State of California (the “**County**”), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution (as defined herein), at the interest rate set forth above. Interest on this Bond is payable on _____ 1, 20__ and semiannually thereafter on the first day of February and August (each an “**Interest Payment Date**”) in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered

(unless it is registered after the close of business on the fifteenth calendar day of the month next preceding any Interest Payment Date (a “**Record Date**”) and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on the first Record Date, in which event it shall bear interest from the Dated Date set forth above; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax Collector of the County, as paying agent (the “**Paying Agent**”), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined). The interest hereon is payable by check or draft mailed by first class mail, postage prepaid, to each registered owner, as indicated in the Bond Register (the “**Owner**”), at his address as it appears on the registration books kept by the Paying Agent as of the Record Date, or by wire transfer to any Owner of \$1,000,000 Principal Amount or more of this Bond, to the account specified by the Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

The Bonds of this issue are comprised of \$_____ Principal Amount of El Rancho Unified School District General Obligation, Bonds Election of 2010, Series 2011[A/B/C]. [The Bonds of this issue are comprised of \$_____ Principal Amount of Current Interest Bonds, of which this Bond is a part and \$_____ initial principal amount of Capital Appreciation Bonds.] This Bond is issued by the County under and in accordance with the provisions of (i) Title 1, Division 1, Part 10, Chapter 1.5 of the California Education Code (commencing with Section 15264) and (ii) Article XIII A of the California Constitution (together, the “**Authorizing Law**”), and pursuant to that a resolution adopted by the Board of Supervisors of the County on _____, 2011 (the “**Resolution**”). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of fifty-five percent of the qualified electors of the District voting on the proposition at an election held therein to determine whether such Bonds should be issued.

[The District has designated this Bond as a “Qualified School Construction Bond” for purposes of Section 54F(a)(3) of the Internal Revenue Code of 1986 (the “**Code**”). The District has covenant to apply all direct payments made to the District by the federal government under Section 6431 of the Code, which the District has elected to receive under Section 54AA(g)(1) of the Code, to the payment of principal of and interest on this Bond.]

This Bond is a general obligation of the District, payable as to both Principal, premium, if any, and interest from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitutes a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Principal Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Current Interest Bonds shall be subject to optional redemption as provided in the Resolution. [Details to be provided]

[The Current Interest Bonds maturing on August 1, 20__ are subject to mandatory redemption prior to their stated maturity, in part, from mandatory sinking fund account payments, on each August 1, commencing August 1, 20__, at the principal amount represented thereby plus accrued interest to date fixed for redemption, without premium. The principal amount of such Bonds to be so redeemed and the dates therefor shall be as follows:

<u>Redemption Dates</u>	<u>Principal Amount</u>
<u>(August 1)</u>	
20__	\$
20__	
20__*	

* Final Maturity]

[This Bond shall be subject to extraordinary mandatory redemption/extraordinary optional redemption as provided in the Resolution.][Details to be provided]

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that so long as any Bond Insurance Policy is in effect, and provided that the Bond Insurer complies with its obligations thereunder, the Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or

amendment reduce the percentage of consents required for amendment or modification hereof without the express consent of all Owners. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything in the Resolution to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County or the District in the Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; (5) to make such additions, deletions or modifications as may be necessary or desirable to assure the status of any Bonds designated as Qualified School Construction Bonds for which Bond Subsidy Payments are eligible to be received; or (6) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Authorizing Law and that all of the proceedings of the Board of Education of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Authorizing Law and of the Constitution of the State of California.

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed by the manual or facsimile signature of its Chair and by the manual or facsimile signature of the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer - Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto as of the date stated above.

COUNTY OF LOS ANGELES

[SEAL]

Chairman of the Board of Supervisors

Executive Officer - Clerk of
the Board of Supervisors

Treasurer and Tax Collector

[STATEMENT OF INSURANCE]

The following Certificate of Authentication shall be printed on the face of each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Supervisors of the County of Los Angeles which has been authenticated and registered on _____, 20__.

**TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
as Paying Agent**

By: U.S. Bank National Association,
as Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT A-2

FORM OF CAPITAL APPRECIATION BOND

[UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

**EL RANCHO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2010, SERIES 2011**

No. _____

<u>Accretion</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
---------------------------------	--------------------------------	-----------------------------	--------------

%

REGISTERED OWNER:

INITIAL PRINCIPAL AMOUNT:

MATURITY AMOUNT:

The El Rancho Unified School District (the “**District**”) of the County of Los Angeles, State of California (the “**County**”), for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Maturity Amount set forth above, on the Maturity Date set forth above. Interest on this Bond with respect to the Principal Amount hereof will accrete at the Accretion Rate per annum shown above from the Dated Date shown above and will be compounded semiannually on February 1 and August 1 of each year until maturity, computed using a year of 360 days comprised of twelve 30-day months

and shall be payable only at maturity as part of the Maturity Amount or upon prior redemption, if any. The Maturity Amount hereof is payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax Collector of the County, as paying agent (the “**Paying Agent**”), or at the office of a successor Paying Agent appointed pursuant to the Resolution (as hereinafter defined).

The Bonds of this issue are comprised of \$_____ Principal Amount of El Rancho Unified School District General Obligation Bonds, Election of 2010, Series 2011[A/B/C]. [The Bonds of this issue are comprised of \$_____ Capital Appreciation Bonds, of which this Bond is a part, and \$_____ Principal Amount of Current Interest Bonds.] This Bond is issued by the County under and in accordance with the provisions of (i) Title 1, Division 1, Part 10, Chapter 1.5 of the California Education Code (commencing with Section 15264) and (ii) Article XIII A of the California Constitution (together, the “**Authorizing Law**”), and pursuant to that a resolution adopted by the Board of Supervisors of the County on _____, 2011 (the “**Resolution**”). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of fifty-five percent of the qualified electors of the District voting on the proposition at an election held therein to determine whether such Bonds should be issued.

[The District has designated this Bond as a “Qualified School Construction Bond” for purposes of Section 54F(a)(3) of the Internal Revenue Code of 1986 (the “**Code**”). The District has covenant to apply all direct payments made to the District by the federal government under Section 6431 of the Code, which the District has elected to receive under Section 54AA(g)(1) of the Code, to the payment of principal of and interest on this Bond.]

This Bond is a general obligation of the District, payable as to Maturity Amount from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Maturity Amount of this Bond, or any part thereof, nor any premium hereon, constitutes a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Maturity Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Capital Appreciation Bonds shall be subject to optional redemption as provided in the Resolution.][Details to be provided]

[The Capital Appreciation Bonds maturing on August 1, 20__ are subject to mandatory redemption prior to their stated maturity, in part, from mandatory sinking fund account payments, on each August 1, commencing August 1, 20__, at the Accreted Value thereof to date fixed for redemption, without premium. The principal amount of such Bonds to be so redeemed and the dates therefor shall be as follows:

<u>Redemption Dates</u> <u>(August 1)</u>	<u>Principal Amount</u>
20__	\$
20__	
20__*	

* Final Maturity]

[This Bond shall be subject to extraordinary mandatory redemption/extraordinary optional redemption as provided in the Resolution.][Details to be provided]

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that so long as any Bond Insurance Policy is in effect, and provided that the Bond Insurer complies with its obligations thereunder, the Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof without the express consent of all Owners. No such supplemental resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything in the Resolution to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County or the District in the Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any

ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; (5) to make such additions, deletions or modifications as may be necessary or desirable to assure the status of any Bonds designated as Qualified School Construction Bonds for which Bond Subsidy Payments are eligible to be received; or (6) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Maturity Amount or such other amount required for redemption, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Authorizing Law and that all of the proceedings of the Board of Education of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Authorizing Law and of the Constitution of the State of California.

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed by the manual or facsimile signature of its Chair and by the manual or facsimile signature of the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer - Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto as of the date stated above.

COUNTY OF LOS ANGELES

[SEAL]

Chairman of the Board of Supervisors

Executive Officer - Clerk of
the Board of Supervisors

Treasurer and Tax Collector

[STATEMENT OF INSURANCE]

The following Certificate of Authentication shall be printed on the face of each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Supervisors of the County of Los Angeles which has been authenticated and registered on _____, 20__.

**TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
as Paying Agent**

By: U.S. Bank National Association,
as Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By: _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B

FORM OF CONTRACT OF PURCHASE

\$[_____]
**EL RANCHO UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
GENERAL OBLIGATION BONDS,
ELECTION OF 2010, SERIES 2011**

CONTRACT OF PURCHASE

[February __], 2011

County of Los Angeles
Treasurer and Tax Collector
500 West Temple Street
437 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Board of Education
El Rancho Unified School District
9333 Loch Lomond Drive
Pico Rivera, California 90660

Ladies and Gentlemen:

The undersigned (the “Underwriter”) offers to enter into this Contract of Purchase (this “Contract of Purchase”) with the County of Los Angeles, California (the “County”) and El Rancho Unified School District (the “District”), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. This offer is made subject to the written acceptance of this Contract of Purchase by the County and the District and delivery of such acceptance to us at our office prior to 11:59 p.m., California Time, on the date hereof.

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$[_____] in aggregate principal amount of the District’s General Obligation Bonds, Election of 2010, Series 2011[A] [(Taxable Direct Pay Qualified School Construction Bonds)] [(the “Subsidy Bonds”)], [\$[_____] in aggregate principal amount of the District’s General Obligation Bonds, Election of 2010, Series 2011B (Tax-Exempt) (the “Tax-Exempt Bonds”)], [and \$[_____] in aggregate principal amount of the District’s General Obligation Bonds, Election of 2010, Series 2011C (Taxable Non-Subsidy) ([the “Taxable Non-Subsidy Bonds” and, together with the Subsidy Bonds and the 2010B Bonds,] the “Bonds”). [The Tax-Exempt Bonds and the Taxable Bonds are defined herein as the “Non-Subsidy Bonds”.] The Bonds shall bear interest at the rates, and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference.

[The amount received from the Underwriter in exchange for the Subsidy Bonds shall be \$[_____] (consisting of the \$[_____] principal amount of the Subsidy Bonds, [plus \$[_____] of original issue premium, less an underwriter's discount of \$[_____] , [less premium of a municipal bond insurance policy of \$[_____] paid to [_____] (the "Insurer")][less \$[_____] to be used by the Underwriter to pay costs of issuance as described in the following Section].] [The amount received from the Underwriter in exchange for the Tax-Exempt Bonds shall be \$[_____] (consisting of the \$[_____] principal amount of the Tax-Exempt Bonds, [plus \$[_____] of original issue premium, less an underwriter's discount of \$[_____] , [less premium of a municipal bond insurance policy of \$[_____] paid to the Insurer] [less \$[_____] to be used by the Underwriter to pay costs of issuance as described in the following Section].] [The amount received from the Underwriter in exchange for the Taxable Non-Subsidy Bonds shall be \$[_____] (consisting of the \$[_____] principal amount of the Taxable Non-Subsidy Bonds, [plus \$[_____] of original issue premium, less an underwriter's discount of \$[_____] , [less premium of a municipal bond insurance policy of \$[_____] paid to the Insurer] [less \$[_____] to be used by the Underwriter to pay costs of issuance as described in the following Section].]

From the purchase price of \$[_____] , \$[_____] will be used by U.S. Bank National Association ("U.S. Bank"), to pay costs of issuance, as provided below. On behalf of the Underwriter, U.S. Bank shall pay costs of issuance of the Bonds, in an amount not to exceed \$[_____] . If, after payment of all costs of issuance, the amount paid by U.S. Bank is less than \$[_____] , then U.S. Bank shall deliver the remaining amount, plus all earnings thereon, to the Treasurer and Tax Collector of the County of Los Angeles (the "Treasurer") or his or her designated agent for deposit in the District's Debt Service Fund.

2. The Bonds. The Bonds shall be issued as identified on Appendix A hereto and shall be subject to redemption as described in Appendix A hereto. In all other respects the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on [_____] , 2011 (the "District Resolution") and the Resolution of the Board of Supervisors of the County adopted on [_____] , 2011 (the "County Resolution" and collectively with the District Resolution, the "Resolutions") and Chapter 1.5, Part 10, Division 1, Title 1 of the California Education Code of the State of California (the "Act"). All capitalized terms used herein without definition shall have the meanings given to them in the County Resolution.

The Bonds shall be dated the date of delivery and shall mature on the dates and in the years shown on Appendix A hereto and be subject to optional[,][and] mandatory[, extraordinary optional, and extraordinary mandatory] redemption all as shown on Appendix A hereto. The [Current Interest] Bonds shall bear interest at the rates shown in Appendix A hereto; interest on the Current Interest Bonds shall be payable [February 1 and August 1, commencing August 1, 2011]. [The Capital Appreciation Bonds shall accrete interest with the yields to maturity shown in Appendix A hereto; interest on the Capital Appreciation Bonds will accrue from the date of delivery, will be compounded semiannually on [February 1 and August 1 of each year, commencing on August 1, 2011], and will be payable only upon maturity or prior redemption thereof.]

The Bonds shall be executed and delivered under and in accordance with the provisions of this Contract of Purchase and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). The [Current Interest] Bonds [and the Capital Appreciation Bonds] shall initially be in authorized denominations of \$5,000 [principal amount or] maturity value each, [respectively,] or any integral multiple thereof.

[Subsidy Bonds. The Subsidy Bonds are being issued as “qualified school construction bonds” as defined in Section 54F of the Internal Revenue Code of 1986, as amended. The District intends that the Subsidy Bonds be “qualified bonds” under Section 6431(f) of the Tax Code which make the District eligible for a cash subsidy payment from the United States Treasury equal to the lesser of (a) the tax credit rate applicable to the Subsidy Bonds or (b) 100% of the interest payable on the Subsidy Bonds. The tax credit rate applicable to the Subsidy Bonds is [_____]%.]

[Non-Subsidy Bonds. The Non-Subsidy Bonds are not issued as qualified school construction bonds and the District is not eligible for a cash subsidy payment with respect to the Non-Subsidy Bonds.]

The proceeds of the Bonds shall be applied to the acquisition, construction, repair and renovation of school facilities for the District for which the Bonds were authorized. [Proceeds of the Subsidy Bonds will be applied to Qualified Purposes, as defined in the District Resolution, in compliance with applicable provisions of the Code (defined below).]

3. Use of Documents. The District and the County hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Contract of Purchase and an Official Statement (defined below), the Resolutions, the Continuing Disclosure Certificate executed by the District (the “Continuing Disclosure Certificate”) and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Contract of Purchase.

4. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield to be set forth on the inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

The District and the County acknowledge and agrees that (i) the purchase and sale of the Bonds pursuant to this Contract of Purchase is an arm’s-length commercial transaction between the District and the County, on the one hand, and the Underwriter, on the other hand, (ii) in connection with such transaction the Underwriter has not assumed a fiduciary responsibility in favor of the District or the County with respect to (x) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District or the County on other matters) or (y) any other obligation to the District or the County except the obligations expressly set forth in this Contract of Purchase, and (iii) the District and the

County have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

5. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated [_____], 2011 (the “Preliminary Official Statement”). The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to the [tax credit rate,] offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”).

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

6. Closing. At 8:30 a.m., California Time, on [March __], 2011, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the “Closing”), you will deliver to us, at the offices of DTC, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Nixon Peabody LLP in San Francisco, California, or such other place mutually agreed upon by the Underwriter and the District, the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price thereof as provided in Section 1.

7. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a public instrumentality duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Contract of Purchase, to adopt the District Resolution, to execute the Continuing Disclosure Certificate, to perform its obligations and undertakings under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Contract of Purchase and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Resolutions, the Continuing Disclosure Certificate and this Contract of Purchase have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Contract of Purchase constitutes a valid and legally binding

obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Contract of Purchase.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request.

(d) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Contract of Purchase and the Bonds, the adoption and performance of the District Resolution, and the compliance with the provisions of this Contract of Purchase, the District Resolution and the Bonds do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(e) Litigation. As of the time of acceptance hereof no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the District or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions or in any way contesting or affecting the validity or enforceability of the Bonds, this Contract of Purchase or the Resolutions or contesting the powers of the District or the Resolutions or this Contract of Purchase; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Contract of Purchase or the Resolutions, (b) declare this Contract of Purchase to be invalid or unenforceable in whole or in material part or (c) adversely affect [the exclusion of the interest paid on the [Tax-Exempt] Bonds from gross income for Federal income tax purposes and] the exemption of interest paid on the Bonds from California personal income taxation; [or (iv) which would have a material and adverse affect upon the designation of the Subsidy Bonds as “qualified school construction bonds” within the meaning of Section 54F of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations (the “Code”)].

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor the County on behalf of the District at the District’s request, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(g) Arbitrage Certificate. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.

(h) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Official Statement Accurate and Complete. At the date thereof, the Preliminary Official Statement (excluding any information related to DTC and the book-entry system and information under the caption[s “BOND INSURANCE” and] “UNDERWRITING” [or in Appendix E to the Preliminary Official Statement] as to which no representation is made) did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement (excluding any information related to DTC and the book-entry system and information under the caption[s “BOND INSURANCE” and] “UNDERWRITING” [or in Appendix E to the final Official Statement] as to which no representation is made) did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(j) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Contract of Purchase is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the “Official Statement”) in such reasonable quantities as may be requested by the Underwriter not later than seven (7) business days following the date this Contract of Purchase is signed, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds.

(k) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect in any material respect the accuracy or completeness of any information set forth in the Official Statement relating to the District, until the date which is twenty-five (25) days following the end of the underwriting period as defined in the Rule (the later of the Closing or the time that the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the securities for sale to the public). The end of the underwriting period shall be the Closing unless the Underwriter notifies the District to the contrary prior to or concurrently with the Closing.

(l) Amendments to Official Statement. For a period of twenty-five (25) days after the end of the underwriting period, the District will not adopt any amendment of or supplement to the Official Statement to which, promptly after having been furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which they were made, forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(m) Continuing Disclosure. The District will undertake, pursuant to a continuing disclosure certificate, to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement as Appendix C (the "Continuing Disclosure Certificate"). [In the last five years, the District has not failed to comply in any material respect with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.]

(n) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolutions. [The District will apply the proceeds from the sale of the Subsidy Bonds in accordance with the provisions of the Code relating to qualified school construction bonds.]

(o) Obligation to Pay Principal and Interest, Owners Right to Suit. The District's obligation to pay the principal and redemption premium of, and interest on, the Bonds to the respective Owners of the Bonds when due and the Owners' rights to institute suit against the District to enforce such payment are absolute and unconditional.

8. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Contract of Purchase, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Contract of Purchase and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of the

obligations contained in the Bonds, the Resolutions and this Contract of Purchase have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Contract of Purchase constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Contract of Purchase.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, or which have not been taken or obtained; except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Contract of Purchase and the Bonds, the adoption and performance of the County Resolution, and the compliance with the provisions of this Contract of Purchase, the County Resolution and the Bonds do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(e) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the County or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Contract of Purchase or the Resolutions or contesting the powers of the County or their authority with respect to the Bonds, the Resolutions or this Contract of Purchase; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County with respect to the consummation of the transactions contemplated by this Contract of Purchase or the Resolutions or (b) declare this Contract of Purchase to be invalid or unenforceable in whole or in material part.

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

(g) Certificates. Any certificates signed by any officer of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter, but not by the person signing the same, as to the statements made therein.

9. Covenants of the County and the District. The County and the District respectively covenant, as appropriate, and agree with the Underwriter that:

(a) Securities Laws. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that neither the District nor the County shall be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(b) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto and any supplements thereto.

(c) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the Auditor-Controller of the County a copy of the District Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with applicable law and policies and procedures of the County. The County agrees to take all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds.

10. Conditions to Closing. The Underwriter has entered into this Contract of Purchase in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Contract of Purchase are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the County and the District shall be in compliance with each of the agreements made by them in this Contract of Purchase.

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Contract of Purchase, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as

may have been agreed to in writing by us; (ii) all actions under the Act which, in the opinion of Nixon Peabody LLP, bond counsel (“Bond Counsel”), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their respective obligations required under or specified in the District Resolution, the County Resolution and this Contract of Purchase or the Official Statement to be performed at or prior to the Closing.

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Contract of Purchase (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be threatened which has any of the effects described in Section 7(e) or 8(e) hereof or contesting in any way the completeness or accuracy of the Official Statement.

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the County and the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United State Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of [disallowing the Bond Subsidy Payments (as such term is defined in the District Resolution) to the District or][causing inclusion in gross income for purposes of Federal income taxation of the interest received by the owners of the [Tax-Exempt] Bonds]; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended,

(2) the outbreak of new or material escalation in major military hostilities by the United States or the occurrence of any other new national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by Federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency other than as a result of a downgrade of the claims paying ability of an insurer of any such outstanding indebtedness;

(7) [the downgrading of the claims paying ability of the Insurer];

(8) the suspension by the Securities and Exchange Commission of trading in the outstanding securities of the District; or

(9) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents in each case dated as of the date of Closing and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion: An approving opinion of Bond Counsel, as to the validity of the Bonds [and as to the tax-exempt status of the Tax-Exempt Bonds], dated the date of the Closing, addressed to the County and the District;

(2) Reliance Letter: A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Certificates: A certificate signed by appropriate officials of the County and the District to the effect that (i) such officials are authorized to execute this Contract of Purchase, (ii) the representations, agreements and warranties of the County and the District herein are true and correct in all material respects as of the date of Closing, (iii) the County and the District have complied with all the terms of the District

Resolution, the County Resolution, as the case may be, and this Contract of Purchase to be complied with by the County and the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) in the case of the District, such District officials have reviewed the Official Statement and on such basis certify that the Official Statement (excluding any information related to DTC and the book-entry system and information under the caption[s “BOND INSURANCE” and] “UNDERWRITING” [or in Appendix E to the Official Statement]) does not contain any untrue statement of a material fact required to be stated therein or omit to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Contract of Purchase substantially conform to the descriptions thereof contained in the County Resolution, and (vi) in the case of the District, no further consent is required for inclusion of the District’s audited financials in the Official Statement;

(4) Arbitrage: A tax and nonarbitrage certificate of the District [applicable to the Subsidy Bonds and a tax and nonarbitrage certificate of the District applicable to the Tax-Exempt Bonds, each] in a form satisfactory to Bond Counsel;

(5) District Resolution: A certificate, together with a fully executed copy of the District Resolution, of the Clerk of the District Board of Education to the effect that:

(i) such copy is a true and correct copy of the District Resolution; and

(ii) the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(6) County Resolution: a certificate, together with a fully executed copy of the County Resolution, of the Clerk of the County Board of Supervisors to the effect that:

(i) such copy is a true and correct copy of the County Resolution; and

(ii) the County Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(7) County Counsel Opinion: An opinion of the Counsel to the County in substantially the form attached hereto as Appendix B.

(8) Certificate Regarding Preliminary Official Statement: A certificate signed by an appropriate official of the District to the effect that the District deemed the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the [tax credit rate,] offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity,

delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule;

(9) Insurance Policy: A certified copy of the bond insurance policy (the “Policy”) of the Insurer for the Bonds, and any other documents executed in connection therewith;]

(10) Insurer Certificate: A certificate of the Insurer, dated the Closing Date, signed by an authorized officer of said insurer, that (i) the information contained under the caption “BOND INSURANCE” in the Official Statement does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (ii) the specimen of the bond insurance policy contained in Appendix E to the Official Statement is a true and correct specimen of the policy being issued by said insurer of the Bonds;]

(11) Insurer’s Counsel Opinion: An opinion of counsel to the Insurer, dated the Closing Date, addressed to the Underwriter and in form and substance satisfactory to the Underwriter;]

(12) Ratings: A letter from each of Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”) [rating the claims paying ability of the Insurer “___” and “___”, respectively, which ratings are in full force and effect on the Closing Date and] assigning [underlying] ratings of “[_]” and “[_]”, respectively, to the Bonds, which ratings are in full force and effect on the Closing Date;

(13) Paying Agent Certificate: A certificate of U.S. Bank, as agent of the Treasurer, dated the Closing Date, signed by a duly authorized officer of the Paying Agent, in form and substance satisfactory to the Underwriter, to the effect that:

(i) Due Organization and Existence - The Paying Agent is a national banking association duly organized and in good standing under the laws of the United States of America and has all necessary power and authority to enter into and perform its duties under the Paying Agent Agreement;

(ii) Corporate Action - The Paying Agent is duly authorized to enter into the Paying Agent Agreement and, when executed by the other parties thereto, the Paying Agent Agreement will constitute the legal, valid and binding obligation of the Paying Agent, enforceable in accordance with its terms;

(iii) No Conflict - The execution and delivery by the Paying Agent of the Paying Agent Agreement and compliance with the terms thereof will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to

which the Paying Agent is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Paying Agent or any of its activities or properties, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Paying Agent;

(14) Underwriter's Counsel Opinion. An Opinion of Underwriter's Counsel, dated the date of Closing, addressed to the Underwriter and in form and substance satisfactory to the Underwriter;

(15) [QSCB Allocation. Letter from California Department of Education allocating at least \$_____ in qualified school construction bond authorization to the District in calendar year 2011];

(16) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate; and

(17) Other Documents: Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, California Time, on the Closing Date, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12 hereof.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Contract of Purchase or if the Underwriter's obligations shall be terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

11. Conditions to Obligations of the County and the District. The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; (ii) receipt by the District, the County, and the

Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District, and (iii) provision by the Underwriter, in form satisfactory to the District, the County, and Bond Counsel and signed by an authorized officer of the Underwriter, of (a) the receipt of the Underwriter confirming delivery of the Bonds to the Underwriter, receipt of all documents required by the Underwriter, and the satisfaction of all conditions and terms of this Contract of Purchase by the District and confirming to the District that as of the date of the Contract of Purchase all of the representations of the Underwriter contained in this Contract of Purchase are true, complete and correct in all material respects; (b) [the certification of the Underwriter regarding the prices at which the Subsidy Bonds have been reoffered to the public, as described in Appendix C;] [and] [(c) a certificate of the Underwriter regarding the prices at which the [Tax-Exempt] Bonds have been reoffered to the public, as set forth in the Nonarbitrage Certificate in form satisfactory to Bond Counsel.]

12. Expense. Subject to the provisions of Section 1 hereof, the Underwriter and the Paying Agent shall pay, at the request of the District, any expenses incident to the issuance of the Bonds except as otherwise agreed to by the District, including but not limited to the following: (i) the fees and disbursements of the District's financial advisors; (ii) the fees and disbursements of Bond Counsel and Underwriter's Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds (including the cost of obtaining CUSIP numbers); (iv) the fees, if any, for Bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees of the Paying Agent; and (vii) all other fees and expenses incident to the issuance and sale of the Bonds, [including bond insurance premium]. All expenses of the Underwriter not so paid by the Underwriter or the Paying Agent, from \$[_____] representing a portion of the original issue premium of the Bonds, shall be paid by the District. [Under no circumstances will costs of issuance, including Underwriter's discount, paid from proceeds of the Subsidy Bonds exceed 2% of the issue price amount of the Subsidy Bonds.]

13. Notices. Any notice or other communication to be given under this Contract of Purchase (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the Treasurer and Tax Collector of Los Angeles County, 500 West Temple Street, Room 432, Los Angeles, California, 90012, if to the District, to the Superintendent, El Rancho Unified School District, 9333 Loch Lomond Drive, Pico Rivera, California 90660, or if to the Underwriter, to George K. Baum & Company, 660 J Street, Suite 460, Sacramento, California 95814, Attention: Lynn Paquin, Executive Vice President.

14. Parties in Interest; Survival of Representations and Warranties. This Contract of Purchase when accepted by the District and the County in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This Contract of Purchase is made solely for the benefit of the County and the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Contract of Purchase shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Contract of Purchase.

15. Execution in Counterparts. This Contract of Purchase may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

16. Applicable Law. This Contract of Purchase shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

GEORGE K. BAUM & COMPANY

By: _____
Authorized Signatory

The foregoing is hereby agreed to and accepted as of the date first above written:

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
COUNTY COUNSEL

By: _____
Principal Deputy County Counsel

EL RANCHO UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

BONDS

[Current Interest Bonds]

Maturity Date <u>(August 1)</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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[Capital Appreciation Serial Bonds]

<u>Maturity</u> <u>(August 1)</u>	Original <u>Principal</u> <u>Amount</u> \$	Reoffering <u>Principal</u> <u>Amount</u> \$	Accretion <u>Rate</u> %	Maturity <u>Value</u> \$	Reoffering <u>Yield to</u> <u>Maturity</u> %
--	--	--	---	--	--

* This maturity was sold at a premium at a reoffering price of \$_____

Redemption Provisions

[Optional Redemption for [Current Interest] Bonds. The [Current Interest] Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their maturity dates. The [Current Interest] Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part in the manner directed by the District and by lot within each maturity, from any source of available funds, on or after August 1, 20__ or on [any Interest Payment Date] thereafter at par, plus accrued interest to the redemption date.]

[The [Capital Appreciation] Bonds are not subject to optional redemption.]

[Mandatory Redemption. The [Current Interest] Bonds maturing on or before August 1, 20__, are subject to mandatory redemption prior to their stated maturity, in part, from mandatory sinking fund account payments, on each August 1st, commencing August 1, 20__ at the Principal amount represented thereby plus accrued interest to the date fixed for redemption, without premium. The Principal amount of such [Current Interest] Bonds to be redeemed and the dates therefore shall be as follows:

Redemption Dates (August 1)	<u>Principal Amount</u>
20__	\$
20__	
20__*	
<hr/>	
* Final Maturity]	

[The [Capital Appreciation] Bonds maturing on August 1, 20__, are subject to mandatory redemption prior to their stated maturity, in part, from mandatory sinking fund account payments, on each August 1st, commencing August 1, 20__ at the Accreted Value to the date fixed for redemption, without premium. The Principal amount of such Capital Appreciation Bonds to be redeemed and the dates therefore shall be as follows:

Redemption Dates (August 1)	<u>Principal Amount</u>
20__	\$
20__	
20__*	
<hr/>	
* Final Maturity]	

[Insert Extraordinary Redemption Provisions for QSCBs after consultation with CFW and Underwriter]

APPENDIX B

FORM OF OPINION OF COUNTY COUNSEL

\$_[_____]

**EL RANCHO UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
GENERAL OBLIGATION BONDS
(ELECTION OF 2010), SERIES 2011**

Dear Ladies and Gentlemen:

This opinion is rendered and delivered in connection with the issuance by the Board of Supervisors County of Los Angeles (the "County") on behalf of the El Rancho Unified School District (the "District") of the District's General Obligation Bonds, Election of 2010, Series 2011 in the aggregate principal amount of \$_____ (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County of Los Angeles, California adopted on _____ (the "County Resolution"), at the request of the District made pursuant to a resolution adopted by the Board of Education of the District on _____ (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Bond Purchase Agreement dated _____, 2011 (the "Purchase Agreement"), among the District, the County, and George K. Baum & Company, as underwriter, and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State.

2. The County Resolution approving and authorizing the execution, sale and delivery of the Purchase Agreement and the issuance of the Bonds was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.

3. To the best our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending, in which service of process has been completed, or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to

prohibit, restrain or enjoin the execution of the Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Agreement, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Agreement; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

4. The Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms.

With respect to the opinions we have expressed above, enforcement of the rights and obligations under the County Resolution, the Purchase Agreement and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditor's rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Agreement or the Bonds.

Very truly yours,

ANDREA SHERIDAN ORDIN
COUNTY COUNSEL

By: _____
CAMMY C. DuPONT
Principal Deputy County Counsel
Government Services Division

APPENDIX C

Language for Underwriter's Certificate for Subsidy Bonds

[TO BE PROVIDED]



EL RANCHO UNIFIED SCHOOL DISTRICT

8910 E. Slauson Avenue, Pico Rivera, California 90660

Tel: (562) 942-1500 • Fax: (562) 949-4647

BOARD OF EDUCATION
Delia Alvidrez
Rachel Canchola
Vincent Chavez
Rita Jo Ramirez
Joseph Rivera, Ed.D.

SUPERINTENDENT
Myrna Rivera Coté, Ed.D.

RESOLUTION NO. 20-2010/2011

RESOLUTION OF THE BOARD OF EDUCATION OF EL RANCHO UNIFIED SCHOOL DISTRICT REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA TO SELL BONDS OF SAID DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000, PRESCRIBING THE USE OF BOND PROCEEDS, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the County of Los Angeles, California (the “**County**”) held an election on November 2, 2010 at which it submitted to the qualified voters of the El Rancho Unified School District (the “**District**”) the following proposition, to wit:

“To construct and improve local schools and student support facilities, improve student access to computers and classroom technology, build vocational technical classrooms, provide improvements to better maintain our schools, and provide renewable energy improvements to reduce annual operating costs and put more money in the classroom, shall El Rancho Unified School District be authorized to issue up to \$52,000,000 in bonds at legal interest rates, with annual audits, a Citizens’ Oversight Committee, and no increase to current tax rates?”

WHEREAS, the proposition described above was approved by the requisite fifty-five percent (55%) of the qualified voters; and

WHEREAS, on December 2, 2010, this Board of Education of the El Rancho Unified School District (this “**Board of Education**”) adopted its “Resolution of the Board of Education of El Rancho Unified School District Authorizing the Issuance and Sale of General Obligation Bonds, Election of 2010, Series 2010 of the District in an Aggregate Principal Amount Not To Exceed \$15,000,000 and Approving Certain Other Matters Relating to the Bonds” (the “**Prior Authorization**”); and

WHEREAS, this Board of Education has determined that it will not proceed pursuant to the Prior Authorization, and hereby determines by way of this resolution (this “**Resolution**”) that a series of such bonds in an aggregate principal amount not-to-exceed \$15,000,000 should be offered for sale by the Board of Supervisors of the County (the “**County Board of Supervisors**”) in a series to be designated “El Rancho Unified School District General Obligation Bonds, Election of 2010, Series 2011” (the “**Bonds**”); and

ADMINISTRATION

Susanna S. Smith
Assistant Superintendent
Educational Services

Arnold Tovar
Assistant Superintendent
Student Services

Lydia Cano
Assistant Superintendent
Business Services

John Lopez
Assistant Superintendent
Human Resources

WHEREAS, the Bonds will be issued pursuant to Education Code section 15264 *et seq.* (the “**Authorizing Law**”); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 granted a national allocation of \$11 billion to provide for the issuance of qualified school construction bonds, in accordance with the qualified tax credit bond program set forth in Section 54A of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the District has applied for an allocation to issue qualified school construction bonds in the aggregate principal amount of not to exceed \$25,000,000; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 was amended to permit the issuance of qualified school construction bonds in the form of direct-pay taxable bonds rather than in the form of tax credit bonds, and the Board of Education of the District has been advised by its financial advisor and George K. Baum & Company (the “**Underwriter**”) that it may be in the best interests of the District to issue any qualified school construction bonds in the form of direct-pay taxable bonds; and

WHEREAS, this Board of Education deems it proper and necessary to specify its intended use of the proceeds from the sale of the Bonds; and

WHEREAS, a form of preliminary official statement (the “**Preliminary Official Statement**”) relating to the Bonds has been prepared and presented to this Board of Education; and

WHEREAS, a form of contract of purchase (the “**Contract of Purchase**”) among the District, the County and the Underwriter has been prepared and presented to this Board of Education; and

WHEREAS, a form of continuing disclosure certificate (the “**Continuing Disclosure Certificate**”) has been prepared by Nixon Peabody LLP (“**Bond Counsel**”) and presented to this Board of Education;

WHEREAS, this Board of Education desires that the Treasurer and Tax Collector of the County (the “**Treasurer**”) should collect a tax on all taxable property within the District sufficient to provide for payment of the Bonds, and intends by the adoption of this Resolution to notify the County Board of Supervisors, the Auditor-Controller of the County (the “**Auditor-Controller**”), the Treasurer and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of the Bonds; and

WHEREAS, the District wishes at this time to initiate proceedings for the issuance and sale of one or more series of Bonds under the Authorizing Law, of which one or more series of Bonds may be in the form of taxable direct-pay qualified school construction bonds (“**Qualified School Construction Bonds**”), one or more series of Bonds may be in the form of tax-exempt Bonds, and one or more series of Bonds may be in the form of taxable Bonds that are not Qualified School Construction Bonds, as determined by an Authorized Officer (as defined herein) as described in this Resolution.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The County Board of Supervisors is hereby requested to issue and sell bonds up to an aggregate initial principal amount of \$15,000,000 authorized at the aforementioned election as a series to be designated “El Rancho Unified School District General Obligation Bonds, Election of 2010, Series 2011,” (or as otherwise designated by resolution of the County Board of Supervisors) upon such terms and conditions (including, but not limited to, the dates upon which payments of the principal of and interest on the Bonds are to be paid) not inconsistent with this Resolution. The Superintendent of the District (the “**Superintendent**”) and such other officers of the District as may be designated by the Superintendent (the “**Authorized Officers**” and each an “**Authorized Officer**”) in consultation with the County, the Underwriter, the District’s financial advisor and bond counsel are, and each of them acting alone is, hereby authorized to designate whether the Bonds are to be issued in the form of one or more series of taxable direct-pay Qualified School Construction Bonds, one or more series of tax-exempt Bonds, and/or one or more series of taxable Bonds that are not Qualified School Construction Bonds. Such designation shall be set forth in the Contract of Purchase. Principal and accreted value of the Bonds shall be payable as set forth in the Contract of Purchase, provided that all principal shall be payable within 25 years of the date of the Bonds.

Section 2. The County Board of Supervisors is hereby requested to offer such Bonds for sale in the manner provided by law and in accordance with the terms of the Contract of Purchase as soon as possible following the receipt of this Resolution.

Section 3. The Clerk of this Board of Education is hereby directed to file a certified copy of this Resolution with the County Board of Supervisors and the Treasurer.

Section 4. (c) The form of the Preliminary Official Statement relating to the Bonds is hereby approved. This Board also hereby authorizes the use and distribution of: (a) one or more Preliminary Official Statements with such changes as the Authorized Officer executing the certificate described below may approve, such approval to be conclusively evidenced by the execution of such certificate by such Authorized Officer; (b) one or more Official Statements in substantially the form of the Preliminary Official Statement(s) with such changes as may be necessary or desirable in connection with the sale of the Bonds as determined by the Authorized Officer executing the same, such determination to be conclusively evidenced by the execution and delivery of the Official Statement(s) by such Authorized Officer and (c) any amendments or supplements to the Preliminary Official Statement(s) or the Official Statement(s) which an Authorized Officer may deem necessary or desirable, such determination to be conclusively evidenced by the execution of such amendment or supplement or of a certificate as described below by such Authorized Officer. The Authorized Officers are, and each of them acting alone is, hereby authorized to approve such additions, deletions or changes to the Preliminary Official Statement(s) and Official Statement(s), as are necessary or desirable to effect the purposes of this Resolution and to comply with applicable laws and to deliver copies of the Preliminary Official Statement and the Official Statement, and to execute the Official Statement or Official Statements. Upon approval of a Preliminary Official Statement by an Authorized Officer (such approval to be evidenced by execution of a certificate substantially in the form of Exhibit A attached hereto and by this reference incorporated herein, with such changes as may be necessary), such Preliminary Official Statement shall be deemed final as of its date except for the

omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Section 5. The form of the Contract of Purchase is hereby approved. The Authorized Officers and such other officers of the District as may be authorized by this Board of Education are, and each of them acting alone hereby is, authorized to execute and deliver one or more Contracts of Purchase on behalf of the District, with such changes therein as the officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The Authorized Officers, and such other officers of the District as may be authorized by this Board of Education are, and each of them acting alone hereby is, in consultation with the County, the Underwriter and Bond Counsel, authorized and directed to establish the final principal amount of the Bonds; provided, however, that such principal amount shall not exceed the amount authorized in Section 1 hereof. The Authorized Officers, and such other officers of the District as may be authorized by this Board of Education are, and each of them acting alone hereby is, authorized and directed to negotiate, with the Underwriter, the interest rates, not to exceed an interest rate of 8%, on the Bonds and the Underwriter's discount, if any, on the purchase price of the Bonds, not to exceed 2% (not including original issue discount or costs of issuance) of the principal amount of the Bonds.

Section 6. The form of the Continuing Disclosure Certificate is hereby approved. The Authorized Officers and such other officers of the District as may be authorized by this Board of Education are, and each of them acting alone hereby is, authorized to execute and deliver the Continuing Disclosure Certificate on behalf of the District, with such changes therein as the officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The District hereby covenants and agrees that it, not the County, will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default and shall not be deemed to create any monetary liability on the part of the District to any other persons, including owners of the Bonds.

Section 7. This Board of Education will use the proceeds from the sale of the Bonds to finance the acquisition, expansion and construction of some or all of the purposes authorized at the November 2, 2010 election (collectively, the "**Projects**").

Section 8. This Board of Education authorizes the payment to the County for County staff expenses in connection with the County's support of, and participation in, the issuance of the Bonds.

Section 9. (a) In order to maintain the exclusion from gross income for federal income tax purposes of interest on Bonds which are designated as tax-exempt Bonds, this Board of Education hereby covenants with respect to such Bonds, to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code. In furtherance of this

covenant, the District agrees to comply with the covenants contained in any Tax and Nonarbitrage Certificate (a “**Nonarbitrage Certificate**”) applicable to any tax-exempt Bonds. The District hereby agrees to deliver instructions to the Paying Agent (as defined herein) in order to comply with such Nonarbitrage Certificate.

(b) The Board has determined that interest payable on any Bonds designated as taxable Bonds (including as Qualified School Construction Bonds) will be subject to federal income taxation, and that the provisions of Section 5900 et seq. of the California Government Code apply to such Bonds. At the determination of an Authorized Officer that it would be in the best interests of the District to exercise any of the powers granted to it under such provisions, the District may take any action permitted thereunder whether or not such action is otherwise authorized under this Resolution or conflicts with any other provision of this Resolution.

(c) In order to provide assurances that any Bonds designated as Qualified School Construction Bonds will constitute Qualified School Construction Bonds at all times during the term thereof, the District hereby makes the following covenants applicable only to such Bonds (if any):

(i) Allocation of State QSCB Limitation. The District has applied for an allocation of qualified school construction bond authority for the year 2011 in the amount of \$25,000,000 from the Division Director of the School Facilities Planning Division of the State Superintendent of Public Instruction, which shall be included in the transcript for the Bonds if received. No Qualified School Construction Bonds shall be issued by the District if an allocation is not received in 2011.

(ii) Designation of Bonds as Qualified School Construction Bonds. Pursuant to Section 1 hereof, the District has granted the authority to the Authorized Officers, and each of them acting alone, to designate one or more series of Bonds as Qualified School Construction Bonds for purposes of Section 54F(a)(3) of the Code. The District hereby irrevocably elects to apply the provisions of Section 6431(f) of the Code to any Bonds so designated and intends that such Bonds be treated as specified tax credit bonds within the meaning of Section 6431(f)(2) of the Code. It is the intent of the District that any Bonds designated as Qualified School Construction Bonds be eligible for direct payment from the United States Department of Treasury of an amount equal to the tax credit.

(iii) Filing of Forms To Receive Bond Subsidy Payments. The District will, within the 45-day period beginning on the date that is 90 days before the next Interest Payment Date (as defined and set forth in the Contract of Purchase), file Form 8038-CP or any successor form designated by the Federal government, requesting payment of the amounts which are payable by the Federal government under Section 6431 of the Code, which the District has elected to receive under Section 54AA(g)(1) of the Code (the “**Bond Subsidy Payments**”) with respect to the next interest payment on any Bonds designated as Qualified School Construction Bonds. The District will enter into such agreements with the Paying Agent or other parties as necessary to effect the purposes of this subsection.

(iv) Qualified Issuer. The District is a local government qualified to issue Qualified School Construction Bonds under Section 54F(a)(2) of the Code. The District has established and currently operates the various public school sites with respect to which (i) the proceeds from the sale of such Bonds, (ii) less costs of issuing such Bonds paid from proceeds of the sale of such Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) - (ii) (the “**Available Project Proceeds**”) will be spent.

(v) Qualified School Construction Project. The District shall assure that all of the Available Project Proceeds will be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Code (the “**Qualified Purposes**”) in accordance with Section 54F(a)(1) of the Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that is being constructed, rehabilitated, or repaired with proceeds of such Bonds constitute a Qualified Purpose.

(vi) Compliance with Expenditure Period Limitations. The District reasonably expects to expend all of the Available Project Proceeds for Qualified Purposes within the “expenditure period” defined in Section 54A(d)(2)(B)(ii) of the Code which consists of the period beginning on the date of issuance of such Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period (the “**Expenditure Period**”). To the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the end of the Expenditure Period or upon completion of the Project, if earlier, all nonqualified bonds (as determined under Section 142 of the Code) shall be redeemed within 90 days of the end of the Expenditure Period, in accordance with the requirements of Section 54A(d)(2)(B) of the Code in the time and manner prescribed by the Code.

(vii) Binding Commitment to Spend Available Project Proceeds. With respect to any Bonds designated as Qualified School Construction Bonds, the District will, within six months of the Closing Date (as defined in the Contract of Purchase), enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for Qualified Purposes.

(viii) No Working Capital. All Available Project Proceeds will be spent on capital expenditures under general federal tax principles with a reasonably expected economic life of one year or more.

(ix) Limitation on Issuance Costs. With respect to any Bonds designated as Qualified School Construction Bonds, no proceeds of such Bonds and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of such Bonds, will be used to pay costs of issuing of such Bonds. If the fees of the Underwriter are retained as a discount on the purchase of such Bonds, such retention shall be deemed to be an expenditure of proceeds of such Bonds for said fees.

(x) No Arbitrage. With respect to any Bonds designated as Qualified School Construction Bonds, the District shall not take, or permit or suffer to be taken by the Paying Agent, the Treasurer or otherwise, any action with respect to the proceeds of such Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of such Bonds would have caused such Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code as modified by Section 54A(d)(4) of the Code.

(xi) Rebate Compliance. With respect to any Bonds designated as Qualified School Construction Bonds, the District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to such Bonds. For purposes of this paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Code.

(xii) Limitation on Reserve Funds. With respect to any Bonds designated as Qualified School Construction Bonds, no fund the proceeds of which are pledged to, or are reasonably expected to be used directly or indirectly to pay, principal or interest on such Bonds or are reserved or otherwise set aside such that there is a reasonable assurance that such amounts will be available to pay principal or interest on such Bonds will be funded with respect to such Bonds except as follows: (i) the fund is funded at a rate not more rapid than equal annual installments, (ii) such fund is funded in a manner reasonably expected to result in an amount not greater than an amount necessary to repay the issue, and (iii) the yield on the fund is not greater than the rate determined under 54A(d)(5)(B) of the Code.

(xiii) Prohibition on Financial Conflicts of Interest. With respect to any Bonds designated as Qualified School Construction Bonds, the District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to such Bonds. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to such Bonds.

(xiv) Davis-Bacon Act Requirements. With respect to any Bonds designated as Qualified School Construction Bonds, the District hereby covenants and agrees to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the proceeds of such Bonds.

(xv) Compliance with Nonarbitrage Certificate. In furtherance of these covenants, the District agrees to comply with the covenants contained in any Nonarbitrage Certificate applicable to any Qualified School Construction Bonds. The District hereby agrees to deliver instructions to the Paying Agent in order to comply with such Nonarbitrage Certificate.

Section 10. The County Board of Supervisors is hereby authorized to select and appoint the Paying Agent for the Bonds (the “**Paying Agent**”). Such Paying Agent (which may be the Treasurer or its designee) shall signify the acceptance of its duties and obligations by executing and delivering to the County and the District a written acceptance thereof. All fees and expenses incurred for services of the Paying Agent, including its third party agents, shall be the sole responsibility of the District. The Paying Agent shall keep accurate records of all funds administered by it and all of the Bonds paid and discharged by it.

Section 11. (a) The Bonds shall be sold by negotiated sale inasmuch as: (i) such a sale will allow the District to integrate the sale of the Bonds with other public financings undertaken, or to be undertaken, by the District in order to finance and fund public school facilities; (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; and (iii) such a sale will allow the District to control the timing of the sale of the Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Bonds to such market.

(b) Caldwell Flores Winters, Inc. has been selected to act as financial advisor to the District, Nixon Peabody LLP has been selected as the District’s bond counsel and George K. Baum & Company shall act as underwriter. The estimated costs of issuance associated with the bond sale are \$215,000, which include the financial advisor and bond counsel fees, costs of printing the Official Statement, rating agency fees, paying agent fees, and other related costs. In addition to the estimated costs of issuance listed in the prior sentence, the estimated underwriter’s discount is 0.9% of the par amount of the Bonds. An estimate of the itemized fees and expenses is on file with the Superintendent. Bond insurance, if purchased, is estimated to cost approximately \$216,000. Bond insurance may be purchased only if determined that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof pursuant to Section 15 hereof.

Section 12. Upon the sale of the Bonds, the proceeds thereof exclusive of accrued interest, any original issue premium, and any amounts that may be directed by the District to be deposited into the Costs of Issuance Fund (as defined below) shall be deposited into a fund established and held by the County for the account of the District and designated as the “El Rancho Unified School District General Obligation Building Fund, Election of 2010, Series 2011” (the “**Building Fund**”) or into any other fund administered by the County Office of Education for the account of the District or established, held, and maintained by the County Office of Education for the account of the District (any such fund the “**Other District Fund**”), as directed by an Authorized Officer, to the extent consistent with the applicable provisions of the Code, the Authorizing Law or any Nonarbitrage Certificate. The District shall, from time to time, request disbursements from the Building Fund or any Other District Fund to pay the costs of the Projects in the same manner as other school money disbursements. Moneys in the Building Fund shall be kept separate and distinct from all other District and County funds.

With respect to any Bonds designated as tax-exempt Bonds or taxable Bonds which are not Qualified School Construction Bonds, any amounts that remain in the Building Fund at the completion of the Projects shall be transferred to the Debt Service Fund, as defined in and established pursuant to a resolution of the County Board of Supervisors relating to the Bonds

(the “**County Resolution**”) to be used to pay the principal or accreted value of, premium, if any, and interest on such Bonds, subject to any conditions set forth in any Nonarbitrage Certificate applicable to tax-exempt Bonds.

With respect to any Bonds designated as Qualified School Construction Bonds, amounts remaining in the Building Fund or any Other District Fund at the completion of the Projects or on the third anniversary of the issuance of such Qualified School Construction Bonds shall be disposed of in accordance with the provisions of the County Resolution.

Section 13. The District may, but shall not be obligated to, direct that a portion of the proceeds of the Bonds be deposited into a fund established and held by the Paying Agent for the account of the District and designated as the “El Rancho Unified School District Cost of Issuance Fund, Election of 2010, Series 2011” (the “**Cost of Issuance Fund**”). Any amounts deposited in the Costs of Issuance Fund shall be disbursed to pay costs of issuance. Amounts remaining in the Costs of Issuance Fund on the date that is six months after the issuance of the Bonds shall be disposed of in accordance with the provisions of the County Resolution.

Costs of issuance shall include all of the costs of issuing the Bonds, including, at the election of the District exercised by an Authorized Officer, all costs relating to the issuance and delivery of any Bonds which are Qualified School Construction Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds, the Preliminary Official Statement and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; underwriter’s fees; rating agency fees; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for any credit enhancement relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds or the implementation of the financing for the Projects, to the extent such fees and expenses are approved by the District, provided that any costs of issuance for any Bonds which are designated as Qualified School Construction Bonds that are paid from the proceeds of such Qualified School Construction Bonds shall not exceed two percent (2%) of the aggregate principal amount of such Qualified School Construction Bonds.

Notwithstanding the existence of the Costs of Issuance Fund, some or all of the costs of issuance may instead be paid by the Underwriter. The Underwriter may use a third party, including but not limited to the Paying Agent, to administer payment of costs of issuance on behalf of the Underwriter.

Section 14. The District hereby covenants to spend all Bond proceeds in accordance with applicable law, including but not limited to Chapter 1.5, Part 10, Division 1, Title 1 of the California Education Code of the State of California (commencing with Section 15264), as amended, and Article XIII A of the California Constitution. The proceeds of any Bonds which are designated as Qualified School Construction Bonds shall be expended solely for purposes which are authorized for the expenditure of qualified school construction bonds proceeds under the Code.

Section 15. The Authorized Officers are, and each of them is, hereby authorized and directed to take such other actions as may be necessary to sell all or a portion of the Bonds with bond insurance if an Authorized Officer, in consultation with the Underwriter and the County, determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

Section 16. The Bonds may be issued as current interest bonds and/or capital appreciation bonds and contain such other provisions as are not inconsistent with this Resolution as set forth in the Contract of Purchase, subject to the provisions of the County Resolution and the following:

(a) The Bonds shall be subject to redemption as provided in the Contract of Purchase.

(b) The County Board of Supervisors is hereby authorized to set the terms of the redemption of the Bonds in the Contract of Purchase and to provide in the County Resolution the method of giving notice of redemption to holders of Bonds to be redeemed.

Section 17. The execution and delivery of a letter of representations and such additional documents as may be necessary to qualify the Bonds for the book-entry-only system of The Depository Trust Company or as may be otherwise necessary or desirable in connection with the issuance of the Bonds is hereby authorized and approved. The execution and delivery of the Representation Letter shall not in any way limit the provisions of the County Resolution or in any other way impose upon the District any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the Owners, as shown in the Bond Register (as defined in the County Resolution). In addition to the execution and delivery of the Representation Letter, the District, and its deputies and designees, are hereby authorized to take any other actions, not inconsistent with this Resolution, to qualify the Bonds for the Depository's book-entry program.

Section 18. The Authorized Officers, and such other officers of the District as may be authorized by this Board of Education are, and each of them acting alone hereby is, authorized to execute any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

Section 19. The County Board of Supervisors, the Auditor-Controller, the Treasurer, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest on the Bonds as the same shall become due and payable as necessary for the payment of the Bonds, and the Clerk of the Board is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the County Board of Supervisors, the Auditor-Controller of the County, and the Treasurer. The Board hereby agrees to reimburse the County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request.

Section 20. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Contract of Purchase, the Contract of Purchase prevails to the extent of the inconsistency or conflict. If there is any inconsistency or conflict between any provision of this Resolution and any provision of an applicable Nonarbitrage Certificate, such Nonarbitrage Certificate prevails to the extent of the inconsistency or conflict. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the County Resolution, the County Resolution prevails to the extent of the inconsistency or conflict.

ADOPTED, SIGNED AND APPROVED this 20th day of January, 2011.

BOARD OF EDUCATION OF
EL RANCHO UNIFIED SCHOOL DISTRICT

By: Vincent Chavez
President

Attest:

By: Rachel Canchola
Clerk of the Board of Education
of El Rancho Unified School District

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) SS.

I, Rachel Canchola do hereby certify that the foregoing is a true and correct copy of Resolution No. 20-2010/2011, which was duly adopted by the Board of Education of El Rancho Unified School District at a board of education meeting thereof held on the 20th day of January 2011, and that it was so adopted by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

By: *Rachel Canchola*
Clerk of the Board of Education
for El Rancho Unified School District

EXHIBIT A

FORM OF 15C2-12 CERTIFICATE

[NAME OF UNDERWRITER]

Ladies and Gentlemen:

With respect to the proposed sale of its General Obligation Bonds, Election of 2010, Series 2011 (the "Bonds"), in an aggregate amount not to exceed \$15,000,000, El Rancho Unified School District (the "District") has delivered to you a Preliminary Official Statement, dated as of the date hereof (the "Preliminary Official Statement"). The District, for purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission ("Rule 15c2-12"), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

EL RANCHO UNIFIED SCHOOL
DISTRICT

Dated: 1/20/11

By: Dr. Myra Rivera Cote
Superintendent